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MAR 13 2001

1 WILLIAM MUNDELL
Chairman
2 JAMES M. IRVIN
Commissioner
3 MARC SPITZER
Commissioner

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BEFORE THE ARIZONA CORPORATION COMMISSION

5 IN THE MATTER OF THE APPLICATION OF)
6 H2O, INC., FOR AN EXTENSION OF ITS)
7 EXISTING CERTIFICATE OF CONVENIENCE)
AND NECESSITY.)

DOCKET NO. W-02234A-00-0371

8 IN THE MATTER OF THE APPLICATION OF)
9 JOHNSON UTILITIES, L.L.C., dba JOHNSON)
10 UTILITIES COMPANY, FOR AN EXTENSION)
OF ITS CERTIFICATE OF CONVENIENCE AND)
11 NECESSITY TO PROVIDE WATER AND)
THE WASTEWATER SERVICE TO THE PUBLIC IN)
12 THE DESCRIBED AREA IN PINAL COUNTY,)
ARIZONA.)

DOCKET NO. W-02987A-99-0583

13 IN THE MATTER OF THE APPLICATION OF)
14 JOHNSON UTILITIES, L.L.C., dba JOHNSON)
UTILITIES COMPANY, FOR AN EXTENSION)
15 OF ITS CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE WATER AND)
16 WASTEWATER SERVICE TO THE PUBLIC IN)
THE DESCRIBED AREA IN PINAL COUNTY,)
17 ARIZONA.)

DOCKET NO. WS-02987A-00-0618

18 IN THE MATTER OF THE APPLICATION OF)
19 DIVERSIFIED WATER UTILITIES, INC. TO)
EXTEND ITS CERTIFICATE OF)
20 CONVENIENCE AND NECESSITY.)

DOCKET NO. W-02859A-00-0774

21 IN THE MATTER OF THE APPLICATION OF)
22 QUEEN CREEK WATER COMPANY TO)
EXTEND ITS CERTIFICATE OF)
23 CONVENIENCE AND NECESSITY.)


DOCKET NO. W-01395A-00-0784

QUEEN CREEK'S SUMMARY OF
PREFILED TESTIMONY

24 Paul T. Gardner, President of Queen Creek Water Company ("QCWC"), an
25 intervenor/applicant in this proceeding, submitted prefiled testimony on October 4, 2000, January
26 30, 2001, and March 6, 2001. Pursuant to the October 16, 2000 Procedural Order, QCWC submits
27 the attached summary of Mr. Gardner's prefiled testimony.
28

1 DATED this 13th day of March, 2001.

2 JORDEN & BISCHOFF, P.L.C.

3
4 By 
5 Charles A. Bischoff
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9 Attorneys for Queen Creek Water Company

8 ORIGINAL and ten copies of the
9 foregoing filed this 13th day of March,
10 2001, with:

10 Docketing Supervisor
11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, AZ 85007

13 A COPY of the foregoing
14 was delivered this 13th
15 day of March, 2001, to:

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17 Teena Wolfe, Esq.
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21 was mailed this 13th
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Summary of Prefiled Testimony of Paul T. Gardner

Queen Creek Water Company ("QCWC") is an Arizona public service corporation whose current certificated area consists of approximately 31 square miles located in southeastern Maricopa County and northern Pinal County. At the present time, QCWC serves over 2,000 metered customers.

In 2000, QCWC became aware that H2O, Inc. ("H2O") and Johnson Utilities, L.L.C. ("Johnson") had filed competing applications for a CC&N in areas that, in part, were adjacent to areas already certificated to QCWC. QCWC had an interest in how this area was certificated because, among other reasons, it was concerned that an area certificated only for water service could see a proliferation of wastewater package plants, which could threaten groundwater in the area. QCWC did not see a need initially to file a competing application, because one of the applicants, Johnson, was seeking to provide both water and wastewater service to the area.

In October, 2000, QCWC became aware that the Commission Staff was recommending that H2O's application be approved as to nearly all of the contested area. Because H2O does not provide both water and wastewater service, QCWC was concerned about the extension of H2O's CC&N to the contested area. Accordingly, QCWC intervened in this proceeding and applied to extend its CC&N to the contested area.

After intervening, QCWC participated in talks with H2O, Johnson, and Diversified Water Utilities, Inc. ("Diversified") in an attempt to reach a fair and amicable resolution for the parties and the public. In December, after being informed that landowners in Diversified's service area had petitioned to form a water improvement district, the formation of which would render Diversified's application moot, QCWC entered into a Settlement Agreement with H2O and Johnson. Under the Settlement Agreement, QCWC's CC&N would not be extended to any

portion of the contested area. However, the Settlement Agreement addresses areas contiguous to QCWC's certificated area and not previously addressed in any party's application, and also provides for wastewater service to portions of QCWC's current CC&N that are not presently in the certificated area of any wastewater service provider. Moreover, Johnson would provide wastewater service to the contested area. Thus, the Settlement Agreement provides finality and certainty for the contested area and certain additional areas, and benefits developers, and the public. QCWC supports the Settlement Agreement's proposed allocation of areas to be certificated to H2O, Johnson and QCWC.